

TITLE NINE - Income Taxation

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CHAPTER 161 Purpose of Levy of Income Taxes

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CROSS REFERENCES

Power to levy - see Ohio Constitution, Art. XII, Section 8
Payroll deductions - see Ohio R.C. 9.42
Municipal income taxes - see Ohio R.C. Ch. 718
Limitation of the rate of taxation - See CHTR. Art. VII, Section 12
Other taxes - see CHTR. Art. VII, Section 13
Director of Finance; Tax Administrator - See ADM. 133.03

161.01 PURPOSE OF LEVY OF INCOME TAXES.

To provide funds for the purposes of general municipal functions of the City there shall be and is hereby levied a tax on all wages, salaries, commissions, other compensation including fees, sick pay, bonuses, tips, rents profits from businesses, including professional associations and partnerships, royalties, employer supplemental unemployment benefits (subpay), wage continuation plans, contest prizes and awards, dismissed or severance pay, incentive payment

property in lieu of cash, depreciation recapture and other compensation earned, received and accrued. (Ord. 6153-90. Passed 12-17-90)

161.02 DEFINITIONS.

For the purposes of this Title the terms, phrases, words and their derivatives shall have the meanings given in the next succeeding sections of this Chapter. The singular shall include the plural, and the masculine shall include the feminine and the neuter.
(Ord. 3172-67. Passed 6-26-67)

161.03 ADMINISTRATOR.

Administrator means the Finance Director or individual designated by the Finance Director to administer and enforce the provisions of the City's Income Tax.
(Ord. 4980-79. Passed 5-21-79)

161.04 ASSOCIATION.

Association means any partnership, limited partnership or any other form of unincorporated enterprise owned by two (2) or more persons.
(Ord. 3172-67. Passed 6-26-67)

161.05 BOARD OF REVIEW.

Board of Review means the Board created by and constituted as provided in Section 175.15 herein. (Ord. 3172-67. Passed 6-26-67)

161.06 BUSINESS.

Business means any enterprise, activity, profession or undertaking of any nature conducted for profit or ordinarily conducted for profit, whether by an individual, partnership, association, corporation or any other entity, excluding however all non-profit corporations which are exempt from the payment of Federal Income Tax.
(Ord. 3172-67. Passed 6-26-67)

161.07 CORPORATION.

Corporation means a corporation or joint stock association organized under the laws of the United States, the State of Ohio or any other state, territory or foreign country or dependency.
(Ord. 3172-67. Passed 6-26-67)

161.08 EMPLOYEE.

Employee means one who works for wages, salary, commission or other type of compensation in line with Section 161.01 herein in the service of an employer.
(Ord. 6153-90. Passed 12-17-90)

161.09 EMPLOYER.

Employer means an individual, partnership, association, corporation, government body, unit or agency or any other entity, whether or not organized for profit who or that employs one or more persons on a salary, wage, commission or other basis of compensation.
(Ord. 3172-67. Passed 6-26-67)

161.10 FISCAL YEAR.

Fiscal year means an accounting period of twelve months (12 mos.) or less ending on any day other than December 31st. (Ord. 3172-67. Passed 6-26-67)

161.11 GROSS RECEIPTS.

Gross receipts means the total income from any source whatever.
(Ord. 3172-67. Passed 6-26-67)

161.12 NET PROFITS.

Net profits means a net gain from the operation of a business, profession, enterprise or other activity after provision for all ordinary and necessary expenses either paid or accrued in accordance with the accounting system used by the taxpayer for Federal Income Tax purposes, without deduction of taxes imposed by this Title, federal, state and other taxes based on income; and in the case of an association without deduction of salaries paid to partners and other owners.
(Ord. 3172-67. Passed 6-26-67)

161.13 NONRESIDENT.

Nonresident means an individual domiciled outside the City.
(Ord. 3172-67. Passed 6-26-67)

161.14 NONRESIDENT UNINCORPORATED BUSINESS ENTITY.

Nonresident unincorporated business entity means an unincorporated business entity not having an office or place of business within the City. (Ord. 3172-67. Passed 6-26-67)

161.15 PERSON.

Person means every natural person, partnership, fiduciary, association or corporation. Whenever used in any clause prescribing and imposing a penalty, the term "person", as applied to any unincorporated entity, shall mean the partners or members thereof, and as applied to corporations, the officers thereof. (Ord. 3172-67. Passed 6-26-67)

161.16 PLACE OF BUSINESS.

Place of business means any bona fide office (other than a mere statutory office), factory, warehouse or other space which is occupied and used by the taxpayer in carrying on any business

activity individually or through one or more of his regular employees regularly in attendance.
(Ord. 3172-67. Passed 6-26-67)

161.17 RESIDENT.

Resident means an individual domiciled in the City. (Ord. 3172-67. Passed 6-26-67)

161.18 RESIDENT UNINCORPORATED BUSINESS ENTITY.

Resident unincorporated business entity means an unincorporated business entity having an office or place of business within the City. (Ord. 3172-67. Passed 6-26-67)

161.19 TAXABLE INCOME.

“Taxable Income” means wages, salaries, commissions, other compensation including fees, sick pay, bonuses, tips, rents, profits from businesses, including professional associations and partnerships, royalties, employer supplemental, unemployment benefits (subpay), wage continuation plans, contest prizes and awards, dismissed or severance pay, incentive payment property in lieu of cash, depreciation recapture, an individual taxpayer’s contribution to such person’s 401K retirement plan, annuities, Independent Retirement Plans (IRAs) and deferred compensation plans and other compensation earned, received and accrued; provided, however, that on and after January 1, 2002, Taxable Income, for all purposes of this Chapter, shall include the amount by which a Precinct Election Official’s Compensation (as hereinafter defined) paid in a calendar year exceeds one thousand dollars. For purposes of this Section, “Precinct Election Official’s Compensation” means compensation paid under Section 3501.28 or Section 3501.36 of the Ohio Revised Code to a person serving as a precinct election official. Taxable Income shall not include any of the items set forth in Section 167.01 hereof.
(Ord. 7464-02. Passed 5-6-02)

161.20 TAXABLE YEAR.

Taxable year means the calendar year or the fiscal year upon the basis of which the net profits are to be computed under this Title, and in the case of a return for a fractional part of a year, the period for which such return is required to be made.

(Ord. 3172-67. Passed 6-26-67)

161.21 TAXPAYER.

Taxpayer means a person, whether an individual, partnership, association or any corporation or other entity, required hereunder to fill a return or pay a tax.
(Ord. 3172-67. Passed 6-26-67)

CHAPTER 163
Imposition of Income Tax

163.01 Rate and Income taxable.

163.02 Effective period.

CROSS REFERENCES

Limitation of the rate of taxation - See CHTR. Art. VII, Section 12

Other taxes - see CHTR. Art. VII, Section 13

163.01 RATE AND INCOME TAXABLE.

An annual tax for the purposes specified in Section 161.01 hereof, except as hereinafter provided, shall be imposed on and after January 1, 2000, at the rate of two and one-quarter percent (2¼%) per annum upon the following:

- (a) On all Taxable Income, as defined in Section 161.19 hereof and any regulations related thereto adopted and promulgated pursuant to Section 175.05 hereof, earned, received or accrued on or after January 1, 2000, by residents of the City.
- (b) On all Taxable Income, as defined in Section 161.19 hereof and any regulations related thereto adopted and promulgated pursuant to Section 175.05 hereof, earned, received or accrued on or after January 1, 2000, by nonresidents of the City for work done or services performed or rendered within the City.

For purposes of the preceding item (b), notwithstanding that the nonresident taxpayer who is an employee of an employer or that maintains a place of business within the City does work or performs or renders services from the taxpayer's residence outside of the City, (i) such nonresident taxpayer is presumed to do work or perform or render services within the City unless otherwise proven to the reasonable satisfaction of the Administrator and (ii) "work done or services performed or rendered within the City" as used in item (b) above shall include the work done or services performed or rendered by the nonresident taxpayer from such taxpayer's residence if the following two conditions are satisfied: (a) the decision to do such work or to perform or render such services from such nonresident taxpayer's residence is at the discretion of such taxpayer and such nonresident taxpayer is not required by such taxpayer's employer as a condition of employment or is not caused by reason of a permanent disability or childcare or eldercare to do such work or to perform or render such services from such nonresident taxpayer's residence and (b) the employer of such nonresident taxpayer maintains a place of business within the City from which the nonresident taxpayer could do such work or perform or render such services.

Without the receipt of written evidence in form and substance satisfactory to the Administrator in his sole discretion demonstrating that the decision of a nonresident taxpayer to do such work or to perform or render such services from

such nonresident taxpayer's residence either (1) is not at the discretion of such taxpayer and is a condition of employment for such nonresident taxpayer or (2) is caused by reason of a permanent disability or childcare or eldercare, the Administrator shall treat the work done or services performed or rendered by the nonresident taxpayer from such taxpayer's residence as work done or services performed or rendered within the City. (Ord. 7464-02. Passed 5-6-02)

- (c)
 - (1) On the portion attributable to the City on the net profits earned on and after January 1, 1991 of all resident unincorporated business entities or professions or other activities derived from sales made, work done, services performed or rendered and business or other activities conducted in the City of Bedford.
 - (2) On the portion of the distributive share of the net profits earned on and after January 1, 1991 of a resident partner or owner of a resident unincorporated business entity not attributable to the City of Bedford and not levied against such unincorporated business entity.
- (d)
 - (1) On the portion attributable to the City the net profits earned on or after January 1, 1991 of all nonresidents unincorporated business entities, professions or other activities derived from sales made, work done, services performed or rendered and business and other activities conducted in the City, whether or not such unincorporated business entity has an office or place of business in the City of Bedford.
 - (2) On the portion of the distributive share of the net profits earned on or after January 1, 1991 of a resident partner or owner of a nonresident unincorporated business entity not attributable to the City of Bedford and not levied against such unincorporated business entity by the City of Bedford.
- (e) On the portion attributable to the City of Bedford of the net profits earned on and after January 1, 1991 of all corporations derived from sales made, work done, services performed or rendered and business or other activities conducted in the City of Bedford, whether or not such corporations have an office or place of business in the City of Bedford. (Ord. 6096-90. Passed 7-9-90).
- (f) All salaries, wages, commissions and other compensation as stated in Section 161.01 herein and including but not limited to earned income derived from gaming, wagering, lotteries, including the Ohio State lottery, or schemes of chance, which shall not be taxed as business income unless an individual has an effective Federal gambler's permit, earned during the effective period of this Chapter by residents or domiciliaries of this City. (Ord. 6153-90. Passed 12-17-90)

163.02 EFFECTIVE PERIOD.

Said tax shall be levied, collected and paid with respect to the salaries, wages, commissions and other compensation and with respect to the net profits of businesses, professions or other activities earned prior to January 1, 2000 at the rate of two percent (2%) and on and after January 1, 2000 at the rate of two and one-quarter percent (2 1/4%). (Ord. 7101-99. Passed 2-15-99)

CHAPTER 165
Determination of Allocation of Tax

165.01 Method of determination.
165.02 Sales made in the City.
165.03 Total allocation.

165.04 Rentals.
165.05 Operating loss; carry forward.

165.01 METHOD OF DETERMINATION.

In the taxation of income which is subject to City Income Taxes if the books and records of a taxpayer conducting a business or profession both within and without the boundaries of the City shall disclose with reasonable accuracy what portion of its net profit is attributable to that part of the business or profession conducted within the boundaries of the City, then only such portion shall be considered as having a taxable situs in the City for the purposes of municipal income taxation. The portion of the entire net profits of a taxpayer to be allocated as having been derived from within the City, in the absence of actual records thereof, shall be determined as follows:

Multiply the entire net profits by a business allocation percentage to be determined by a three-factor formula of property, payroll and sales, each of which shall be given equal weight, as follows:

- (a) The average net book value of the real and tangible personal property owned or used by the taxpayer in the business or profession in the City during the taxable period to the average net book value of all the real and tangible personal property owned or used by the taxpayer in the business or profession during the same period, wherever situated.

As used in the preceding paragraph, real property shall include property rented or leased by the taxpayer and the value of such property shall be determined by multiplying the annual rental thereon by eight (8).

- (b) Wages, salaries and other compensation paid during the taxable period to persons employed in the business or profession for services performed in the City to wages, salaries and other compensation paid during the same period to persons employed in the business or profession, wherever their services are performed.
- (c) Gross receipts of the business or profession from sales made and services performed during the taxable period in the City to gross receipts of the business or profession during the same period from sales and services, wherever made or performed.

In the event that the foregoing allocation formula does not produce an equitable result another basis may, under uniform regulations, be substituted so as to produce such result. (Ord. 3172-67. Passed 6-26-67)

165.02 SALES MADE IN THE CITY.

As used in paragraph (c) of Section 165.01, sales made in the City shall mean:

- (a) All sales of tangible personal property which is delivered within the City regardless of where title passes if shipped or delivered from a stock of goods within the City.
- (b) All sales of tangible personal property which is delivered within the City regardless of where title passes even though transported from a point outside the City if the taxpayer is regularly engaged through its own employees in the solicitation or promotion of sales within the City and the sales result from such solicitation or promotion.
- (c) All sales of tangible personal property which is shipped from a place within the City to purchasers outside of the City regardless of where title passes if the taxpayer is not through its own employees, regularly engaged in the solicitation or promotion of sales at the place where delivery is made.
(Ord. 3172-67, passed 6-26-67)

165.03 TOTAL ALLOCATION.

Add together the percentages determined in accordance with paragraphs (a), (b) and (c) of Section 165.01 or such of the aforesaid percentages as are applicable to the particular taxpayer and divide the total so obtained by the number of percentages used in deriving said total in order to obtain the business allocation percentage referred to in Section 165.01.

A factor is applicable even though it may be allocable entirely in or outside the City.
(Ord. 3172-67. Passed 6-26-67)

165.04 RENTALS.

- (a) Rental income received by a taxpayer shall be included in the computation of net profits from business activities under paragraphs (c), (d) and (e) of Section 163.01, only if and to the extent that the rental, ownership, management or operations of the real estate from which such rentals are derived (whether so rented, managed or operated by a taxpayer individually or through agents or other representatives) constitutes a business activity of the taxpayer in whole or in part.
- (b) Where the gross monthly rental of any and all real properties regardless of number and value, aggregates in excess of two hundred fifty dollars (\$250.00) per month, it shall be prima-facie evidence that the rental, ownership, management or operation of such properties is a business activity of such taxpayer and the net income of such rental property shall be subject to tax; provided that in the case of commercial property, the owner shall be considered engaged in a business activity when the rental is based on a fixed or fluctuating percentage of gross or net sales, receipts or profits of the lessee, whether or not such rental exceeds two hundred fifty dollars (\$250.00) per month; provided further that in the case of farm

property the owner shall be considered engaged in a business activity when he shares in crops or when the rental is based on a percentage of the gross or net receipts derived from the farm, whether or not the gross income exceeds said two hundred fifty dollars (\$250.00) per month; and provided further that the person who operates a licensed rooming house shall be considered in business whether or not the gross income exceeds two hundred fifty dollars (\$250.00) per month.

- (c) It shall be mandatory for every property owner subject to this section to personally or through a management agent submit a list to the Tax Administrator of names and addresses of all persons, firms, corporations or other entities occupying, leasing, renting or otherwise using the premises within this City in such a manner as to produce economic benefit to the property owner, whether or not such benefit is called "rent" and whether or not such benefit results in a profit or loss. The required list shall be prepared as of December 31st of each year and submitted on or before January 31st of the following year and at such other times as may be prescribed by the Tax Administrator. (Ord. 3790-72. Passed 3-20-72)

165.05 OPERATING LOSS; CARRY FORWARD.

- (a) The portion of a net operating loss of a business sustained in any taxable year subsequent to July 1, 1967 allocable to the City may be applied against the portion of the business' profit of succeeding tax years allocable to the City, until exhausted but in no event for more than five (5) taxable years immediately following the year in which the loss occurred. No portion of a net operating loss shall be carried back against net profits of any prior year. No portion of a net operating loss of one business allocable to the City shall be applied against the portion of the net profits or net income of another business allocable to the City, including, but not limited to, the net income from rental property of another business, in such year or in any prior or succeeding year. (Ord. 7464-02. Passed 5-6-02)
- (b) The portion of net operating loss sustained shall be allocated to the City in the same manner as provided herein for allocating net profits to the City.
- (c) The Administrator shall provide by Rules and Regulations the manner in which such net operating loss carry-forward shall be determined. (Ord. 3172-67. Passed 6-26-67)
- (d) Notwithstanding anything to the contrary in this Section 165.05, if (i) with respect to any tax year a business taxpayer does not file a return by the date required under Section 167.02 and does not file by such date a request for an extension of such date, and after such date, but not later than the date which is six months (6 mos.) after such date, such business taxpayer does obtain pursuant to Section 167.04 an extension of such date and then files a return no later than such filing date as extended, and (ii) such business taxpayer has sustained a net operating loss in such tax year that this Section otherwise permits to be carried forward and applied against the profit of succeeding tax years allocable to the City, in addition

to any other penalties provided for in this Title Nine in the case of not timely filing a return or paying an amount due hereunder, such business taxpayer shall be entitled to carry forward for application against the profit of succeeding tax years in accordance with this Section 165.05 only 80% of the net operating loss that otherwise would have been permitted to be carried forward under this Section. (Ord. 7464-02. Passed 5-6-02)

- (e) Notwithstanding anything to the contrary in this Section 165.05, if (i) a business taxpayer does not file for any tax year a return as required under Section 167.02 and does not obtain an extension of such filing date prior to the date which is six months (6 mos.) after such filing date and (ii) such business taxpayer has sustained a net operating loss in such tax year that this Section would otherwise permit to be carried forward and applied against the profit of succeeding tax years allocable to the City, such business taxpayer shall not be entitled to carry forward for application against the profit of any succeeding year any of the net operating loss incurred in such tax year. (Ord. 7464-02. Passed 5-6-02)

CHAPTER 167

Returns and Exemptions

167.01 Sources of income not taxed.	167.05 Consolidated returns.
167.02 When return required to be made.	167.06 Amended returns.
167.03 Form and content of return.	167.07 Electronic returns.
167.04 Extension of time for filing returns.	

167.01 SOURCES OF INCOME NOT TAXED.

The tax provided for herein shall not be levied on the following:

- (a) Pay or allowance of active members of the Armed Forces of the United States or the income of religious, fraternal, charitable, scientific, literary or educational institutions to the extent that such income is derived from tax exempt real estate, tax exempt tangible or intangible property or tax exempt activities.
- (b) Poor relief, unemployment insurance benefits, old age pensions or similar payments including disability benefits received from local, State or Federal governments or charitable, religious or educational organizations.
- (c) Proceeds of insurance paid by reason of the death of the insured; pensions, disability benefits, annuities or gratuities not in the nature of compensation for services rendered from whatever source derived.
- (d) Receipts from seasonal or casual entertainment, amusements, sports events and health and welfare activities when any such are conducted by bona fide charitable, religious or educational organizations and associations.
- (e) Alimony received.
- (f) Personal earnings or any natural person under eighteen years(18 yrs.) of age.
- (g) Compensation for personal injuries or for damages to property by way of insurance or otherwise.
- (h) Interest, dividends and other revenue from intangible property.
- (i) Gains from involuntary conversion, cancellation of indebtedness, interest on Federal obligations, items of income already taxed by the State of Ohio from which the City is specifically prohibited from taxing and income from a decedent's estate during the period of administration (except such income from the operation of a business).
- (j) Salaries, wages, commissions and other compensation and net profits, the taxation of which is prohibited by the United States Constitution or any act of Congress

limiting the power of the states or their political subdivisions to impose net income taxes on income derived from interstate commerce.

- (k) Salaries, wages, commissions and other compensation and net profits, the taxation of which is prohibited by the Constitution of the State of Ohio or any act of the Ohio General Assembly limiting the power of the City to impose net income taxes.
- (l) On and after January 1, 2003, items excluded from federal gross income pursuant to Section 107 of the Internal Revenue Code of 1986, as amended, or any successor code or section thereto.
- (m) Compensation paid to an individual for personal services performed within the City, if (i) the individual does not reside in the City, (ii) the individual performs such personal services in the City on twelve or fewer days in the calendar year, and, (iii) if the individual is an employee, the principal place of business of the individual's employer is located outside the City. This subdivision (m) does not apply to professional entertainers or professional athletes or to promoters of professional entertainment or sports events and their employees, as reasonably defined by the City.
- (n) On and after January 1, 2002, compensation paid under Section 3501.28 or Section 3501.36 of the Ohio Revised Code to a person serving as a precinct election official, to the extent that such compensation does not exceed one thousand dollars annually.

(Ord. 7464-02. Passed 5-6-02)

167.02 WHEN RETURN REQUIRED TO BE MADE.

- (a) Except as otherwise provided in paragraph (b) of this Section, each taxpayer shall, whether or not a tax be due thereon, make and file a return on or before April 30th of the year following the effective date of this Title, and on or before April 30th of each year thereafter. When the return is made for a fiscal year or other period different from the calendar year, the return shall be filed within four months (4 mos.) from the end of such fiscal year or period. The Administrator is hereby authorized to provide by regulation that the return of an employer or employers, showing the amount of tax deducted by said employer or employers from the salaries, wages, commissions or other compensation of an employee, and paid by him or them to the Administrator shall be accepted as the return required of any employee whose sole income, subject to tax under this Title, is such salary, wages, commissions or other compensation.
- (b) Effective on and after January 1, 2002, any retired or permanently disabled resident taxpayer that has no Taxable Income for the tax year for which a return would otherwise be required to be made and filed is not required to make and file

a return if such taxpayer has made and filed with the City in a prior year a tax return establishing such taxpayer's residency in the City.

(Ord. 7464-02. Passed 5-6-02)

167.03 FORM AND CONTENT OF RETURN.

- (a) The return shall be filed with the Administrator on a form or forms furnished by or obtainable upon request from such Administrator, setting forth:
 - (i) The aggregate amounts of salaries, wages, commissions and other compensation earned and gross income from business, profession or other activity, less allowable expenses incurred in the acquisition of such gross income earned during the preceding year and subject to said tax;
 - (ii) The amount of tax imposed by this Title on such earnings and profits; and
 - (iii) Such other pertinent statements, information returns, or other information as the Administrator may require.
 - (iv) Federal Schedule A – Itemized deductions cannot offset any taxable income, unless an employee's business allowance is included in gross income, then an employee's business deduction is allowed up to the amount included in gross income.
- (b) The City will accept for filing a generic form of such a return, report, or document if the generic form, once completed and filed, contains all of the information required to be submitted with the City's prescribed returns, reports, or documents, and if the taxpayer or return preparer filing the generic form otherwise complies with rules or ordinances of the City governing the filing of returns, reports, or documents.
- (c) For purposes of this Section 167.03, the following terms have the following meanings:
 - (i) "Generic form" means an electronic or paper form designed for reporting estimated municipal income taxes and annual municipal income tax liability that is not prescribed by the City for the reporting of the City's tax on income.
 - (ii) "Return preparer" means any person other than a taxpayer that is authorized by a taxpayer to complete or file an income tax return, report, or other document for or on behalf of the taxpayer.

(Ord. 7464-02. Passed 5-6-02)

167.04 EXTENSION OF TIME FOR FILING RETURNS.

- (a) Any taxpayer that has requested an extension for filing a federal income tax return may request an extension for the filing of a municipal income tax return. The taxpayer shall make the request by filing a copy of the taxpayer's request for a federal filing extension with the individual or office charged with the administration of the municipal income tax. The request for extension shall be filed not later than the last day for filing the municipal income tax return as prescribed by Section 167.02 hereof. The Administrator shall grant such a request for extension for a period not less than the period of the federal extension request. The Administrator may deny a taxpayer's request for extension only if the taxpayer fails to timely file the request, fails to file a copy of the request for the federal extension, owes the City any delinquent income tax or any penalty, interest, assessment, or other charge for the late payment or nonpayment of income tax, or has failed to file any required income tax return, report, or other related document for a prior tax period. The granting of an extension for filing a City income tax return does not extend the last date for paying the tax without penalty unless the Administrator grants an extension of that date with separate written evidence of the extension of such payment date. No penalty shall be assessed in those cases in which the return is filed and the final tax paid not later than the last day of the extended period.
- (b) In addition to the procedures set forth in paragraph (a) of this section regarding a taxpayer's written request for an extension of the date for filing a municipal income tax return, the Administrator is authorized to implement in his sole discretion procedures, including, but not limited to, written rules and regulations, that would permit a taxpayer to request by telephone an extension of the date for filing a municipal income tax return. If the Administrator implements said procedures,
 - (i) any taxpayer that has requested by telephone or in writing an extension of the federal filing deadline may request by telephone an extension of the date for filing a municipal income tax return; and
 - (ii) the provisions contained in the preceding paragraph (a) regarding (A) the taxpayer's having requested an extension of the filing date for such taxpayer's federal income tax return, (B) the period within which such extensions must be requested, (C) the period for which the extension shall be granted by the Administrator and (D) the reasons for which the Administrator may deny a taxpayer's request for extension shall all likewise be applicable to a taxpayer's telephonic request for an extension of the date for filing a municipal income tax return.

(Ord. 7464-02. Passed 5-6-02)

167.05 CONSOLIDATED RETURNS.

- (a) Filing of consolidated returns may be permitted or required in accordance with Rules and Regulations prescribed by the Administrator.
- (b) In the case of a corporation that carried on transactions with its stockholders or with other corporations related by stock ownership, interlocking directorates or some other method, or in the case any person operates a division, branch, factory, office, laboratory or activity within the City constituting a portion only of its total business, the Administrator shall require such additional information as he may deem necessary to ascertain whether net profits are properly allocated to the City. If the Administrator finds that net profits are not properly allocated to the City by reason of transactions with stockholders or with other corporations related by stock ownership, interlocking directorates or transactions with such division, branch, factory, office, laboratory or activity or by some other method, he shall make such allocation as he deems appropriate to produce a fair and proper allocation of net profits to the City.
- (c) On and after January 1, 2003, if the City at the time imposes a tax on the income or net profits of corporations, the Administrator shall accept for filing a consolidated income tax return from any affiliated group of corporations subject to the City's income tax if that affiliated group filed for the same tax reporting period a consolidated return for federal income tax purposes pursuant to Section 1501 of the Internal Revenue Code of 1986, as amended, or any successor code or statute thereto.

(Ord. 7464-02. Passed 5-6-02)

167.06 AMENDED RETURNS.

- (a) Where necessary an amended return must be filed in order to report additional income and pay any additional tax due or claim a refund of tax overpaid, subject to the requirements, limitations, or both, contained in Sections 173.01, 173.02, 173.03 and Sections 175.01, 175.02 and 175.03 hereof. Such amended return shall be on a form obtainable on request from the Administrator. A taxpayer may not change the method of accounting or apportionments of net profits after the due date for filing the original return.
- (b) Within three months (3 mos.) from the final determination of any Federal tax liability affecting the taxpayer's City tax liability, such taxpayer shall make and file an amended City return showing income subject to the City tax based upon such final determination of Federal tax liability, and pay any additional tax shown due thereon or make claim for refund of any overpayment. (Ord. 3172-67. Passed 6-26-67)

167.07 ELECTRONIC RETURNS

- (a) On and after January 1, 2002, the City shall make electronic versions of any rules or ordinances governing the tax available to the public through the Internet, including, but not limited to, ordinances or rules governing the rate of tax, payment and withholding of taxes, filing any prescribed returns, reports, or other documents, dates for filing or paying taxes, including estimated taxes, penalties, interest, assessment, and other collection remedies, rights of taxpayers to appeal, and procedures for filing appeals. On and after that date, if the City continues to require taxpayers to file income tax returns, reports, or other documents, it shall make blanks of such returns, reports, or documents, and any instructions pertaining thereto, available to the public electronically through the Internet. Electronic versions of rules, ordinances, blanks, and instructions shall be made available either by posting them on the electronic site established by the tax commissioner under Section 5703.49 of the Revised Code or by posting them on an electronic site established by the City that is accessible through the Internet. If the City establishes such an electronic site, the City shall incorporate an electronic link between that site and the site established pursuant to Section 5703.49 of the Revised Code, and shall provide to the tax commissioner the uniform resource locator of the site established pursuant to this division.
- (b) As used in this Section, "Internet" means the international computer network of both federal and nonfederal interoperable packet switched data networks, including the graphical subnetwork known as the world wide web.

(Ord. 7464-02. Passed 5-6-02)

CHAPTER 169
Payment of Tax

169.01 Payment of tax on filing of returns.	169.06 Payment to accompany declaration.
169.02 Collection at source.	169.07 Annual return.
169.03 Declarations of income not collected at source.	169.08 Extension of time.
169.04 Filing of declaration.	169.09 Penalties and interest for underpayment.
169.05 Form of declaration	

169.01 PAYMENT OF TAX ON FILING OF RETURNS.

- (a) The taxpayer making a return shall, at the time of filing thereof, pay to the Administrator the amount of taxes shown as due thereon; provided, however, that:
 - (1) Where any portion of the tax so due shall have been deducted at the source pursuant to the provisions of Section 169.02 hereof or,
 - (2) Where any portion of said tax shall have been paid by the taxpayer pursuant to the provisions of Section 169.03 hereof or,
 - (3) Where an income tax been paid on the same income to another municipality, credit for the amount so deducted or paid, or credit to the extent provided for in Section 169.02, shall be deducted from the amount shown to be due and only the balance, if any, shall be due and payable at the time of filing said return.
- (b) A taxpayer who has overpaid the amount of tax to which the City is entitled under the provisions of this Title may have such overpayment applied against any subsequent liability hereunder or, at his election, indicated on the return, such overpayment shall be refunded, provided that no additional taxes or refunds of less than two dollars (\$2.00) shall be collected or refunded. (Ord. 6153-90. Passed 12-17-90)

169.02 COLLECTION AT SOURCE.

- (a) In accordance with Rules and Regulations prescribed by the Administrator, each employer within or doing business within the City of Bedford shall deduct, at the time of the payment of such salary, wages, commissions or other Taxable Income, the tax of two and one-quarter percent (2¼%) per annum of the gross salaries, wages, commissions or other Taxable Income due by the said employer to said employee and shall, on or before the 20th day of each month, make a return and pay to the Administrator.
- (b) Said returns shall be on a form or forms prescribed or acceptable to the Administrator and shall be subject to the Rules and Regulations prescribed

therefor by the Administrator. Such employer shall be liable for the payment of the tax required to be deducted and withheld, whether or not such taxes have, in fact, been withheld.

- (c) Such employer in collecting said tax shall be deemed to hold the same, until payment is made by such employer to the City of Bedford as a Trustee for the benefit of the City of Bedford, and any such tax collected by such employer from his Employees, shall, until the same is paid to the City of Bedford be deemed a trust fund in the hands of such employer.
- (d) No person shall be required to withhold the tax on wages or other Taxable Income paid domestic servants employed by him exclusively in or about such person's residence, even though such residence is in the City of Bedford but such employee shall be subject to all of the requirements of this Title.
- (e) Effective from January 1, 2001, the Administrator shall not require any nonresident employer, agent of such employer, or Other Payer (as defined in division (g) of this Section) that is not situated in the City of Bedford to deduct and withhold taxes from the Taxable Income of an individual unless the total amount of tax required to be deducted and withheld for the City of Bedford on account of all of the employer's employees or all of the Other Payer's payees exceeds one hundred fifty dollars (\$150) for a calendar year beginning on or after that date.

If the total amount of tax required to be deducted and withheld on account of all of the nonresident employer's employees or all of the Other Payer's payees exceeds one hundred fifty dollars (\$150) for a calendar year beginning on or after January 1, 2001, the City of Bedford may require by rule and regulation of the Administrator the employer, agent or Other Payer to deduct and withhold taxes in each ensuing year even if the amount required to be deducted and withheld in each of those ensuing years is one hundred fifty dollars (\$150) or less, except as otherwise provided in division (f) of this Section.

- (f) If a nonresident employer, agent of such an employer, or Other Payer that is not situated in the City of Bedford is required to deduct and withhold taxes for an ensuing year under division (e) of this Section, and the total amount of tax required to be deducted and withheld under that division in each of three consecutive ensuing years is one hundred fifty dollars (\$150) or less, the Administrator shall not require the employer, agent or Other Payer to deduct and withhold taxes in any year following the last of those consecutive years unless the amount required to be deducted and withheld in any such following year exceeds one hundred fifty dollars (\$150).

- (g) As used in and for purposes of this Section, “Other Payer” means any person that pays an individual any item included in the Taxable Income of the individual, other than the individual’s employer or that employer’s agent.

(Ord. 7464-02, Passed 5-6-02)

169.03 DECLARATIONS OF INCOME NOT COLLECTED AT SOURCE.

Every person who anticipates any taxable income which is not subject to Section 169.02, or who engages in any business, profession, enterprise or activity subject to the tax imposed by Section 163.01 shall file a declaration setting forth such estimated income or the estimated profit or loss from such business activity together with the estimated tax due thereof, if any. However, if a person’s income is wholly from wages from which the tax will be withheld and remitted to the City in accordance with Section 169.02 hereof, such person need not file a declaration. (Ord. 5643-86. Passed 4-7-86)

169.04 FILING OF DECLARATION.

- (a) The declaration required by Section 169.03 shall be filed on or before April 30 of each year during the effective period set forth in Section 163.02 or within four months (4 mos.) of the date the taxpayer becomes subject to tax for the first time.
- (b) Those taxpayers reporting on a fiscal year basis shall file a declaration within four months (4 mos.) after the beginning of each fiscal year or period. (Ord. 5643-86. Passed 4-7-86)

169.05 FORM OF DECLARATION.

- (a) The declaration required by Section 169.03 shall be filed upon a form furnished by, or obtainable from, the Administrator. However, credit shall be taken for City tax to be withheld from any portion of such income. In accordance with the provisions of Section 175.01, credit may be taken for tax to be paid to or to be withheld and remitted to another taxing municipality.
- (b) The original declaration, or any subsequent amendment thereof, may be increased or decreased on or before any subsequent quarterly payment date as provided for herein. (Ord. 5643-86. Passed 4-7-86)

169.06 PAYMENT TO ACCOMPANY DECLARATION.

- (a) Prior to January 1, 2003, such declaration of estimated tax to be paid to the City shall be accompanied by a payment of at least one-fourth (1/4) of the estimated annual tax. At least a similar amount shall be paid on or before the last day of the sixth (6th), ninth (9th), and twelfth (12th) month after the beginning of the taxable year. However, in case an amended declaration has been filed, the unpaid balances shown due thereon shall be paid in equal installments on or before the remaining payment dates.

- (b) Beginning on January 1, 2003, all taxpayers who are individuals shall be required to remit payment of estimated taxes only in the amounts prescribed in subdivisions (i) through (iv), inclusive, of this division (b), subject to divisions (c) and (e)(i) and (ii) of this Section:
 - (i) Not less than twenty percent (20%) nor more than twenty-two and one-half per cent (22½%) of the taxpayer's estimated tax liability for the current year shall be remitted on or before the thirtieth day of April
 - (ii) Not less than forty-two percent (42%) nor more than forth-five percent (45%) of the taxpayer's estimated tax liability for the current year shall be remitted on or before the thirty-first (31st) day of July;
 - (iii) Not less than sixty-five percent (65%) nor more than sixty-seven and one-half percent (67½%) of the taxpayer's estimated tax liability for the current year shall be remitted on or before the thirty-first (31st) day of October;
 - (iv) Not less than eighty-five percent (85%) nor more that ninety percent (90%) of the taxpayer's estimated tax liability for the previous year shall be remitted on or before the thirty-first (31st) day of January.
- (c) Any amount deducted and withheld for taxes from the compensation of an individual shall be considered as estimated taxes paid in equal amounts on each of the payment dates prescribed by division (b) of this Section.
- (d) Beginning on January 1, 2003, all taxpayers who are not individuals shall be required to remit payment of estimated taxes only in the amounts prescribed in subdivisions (i) through (iv), inclusive, of this division (d), subject to division (e)(iii) of this Section:
 - (i) Not less than twenty percent (20%) nor more than twenty-two and one-half per cent (22½%) of the taxpayer's estimated tax liability for the current year shall be remitted on or before the day on which the annual tax return for the prior year is required to be filed disregarding any extension or, in the case of a fiscal year taxpayer, the fifteenth (15th) day of the fourth month of the taxpayer's taxable year;
 - (ii) Not less than forty-two percent (42%) nor more than forty-five percent (45%) of the taxpayer's estimated tax liability for the current year shall be remitted on or before the fifteenth (15th) day of June or, in the case of a fiscal year taxpayer, the fifteenth (15th) day of the sixth month of the taxpayer's taxable year;
 - (iii) Not less than sixty-five percent (65%) nor more than sixty-seven and one-half percent (67½%) of the taxpayer's estimated tax liability for the current year shall be remitted on or before the fifteenth (15th) day of

September or, in the case of a fiscal year taxpayer, the fifteenth (15th) day of the ninth month of the taxpayer's taxable year;

- (iv) Not less than eighty-five percent (85%) nor more than ninety percent (90%) of the taxpayer's estimated tax liability for the previous year shall be remitted on or before the fifteenth (15th) day of December or, in the case of a fiscal year taxpayer, the fifteenth (15th) day of the twelfth month of the taxpayer's taxable year.
- (e) The Administrator shall not impose against a taxpayer any penalty, interest, interest penalty, or other similar assessment or charge pursuant to Sections 169.09 or 171.01 hereof for the late payment or nonpayment of estimated tax liability in any of the following circumstances:
 - (i) The taxpayer is an individual who resides in the City but was not domiciled there on the first day of January of the current calendar year;
 - (ii) The taxpayer's estimated tax liability is governed by division (b) of this Section; or
 - (iii) The taxpayer has remitted, pursuant to division (d) of this Section, an amount at least equal to one hundred percent (100%) of the taxpayer's tax liability for the preceding year as shown on the return filed by the taxpayer for the preceding year, provided that the return for the preceding year reflected a twelve-month period and the taxpayer filed a return for the preceding year.
- (f) For purposes of this Section:
 - (i) "Estimated tax liability" means the amount that a taxpayer estimates to be the taxpayer's income tax liability for a year prior to applying any credits, estimated tax payments, or withheld taxes for the year.
 - (ii) "Fiscal year taxpayer" means a taxpayer that reports municipal income tax on the basis of a twelve-month period that does not coincide with the calendar year.

(Ord. 7464-02. Passed 5-6-02)

169.07 ANNUAL RETURN.

On or before the last day of the fourth month (4th mo.) of the year following that for which such declaration or amended declaration was filed, an annual return shall be filed, and any balance which may be due the City shall be paid therewith in accordance with the provisions of Section 169.01. (Ord. 5643-86. Passed 4-7-86)

169.08 EXTENSION OF TIME FOR PAYMENT.

The Administrator may extend the time for making any payment or performing any other act required by this Chapter 169 for a period not to exceed six months (6 mos.) beyond the original required date. (Ord. 7464-02. Passed 5-6-02)

169.09 PENALTIES AND INTEREST FOR UNDERPAYMENT.

Subject to subdivision (e) of Section 169.06 hereof, the penalties and interest set forth in Sections 171.01 and 171.02 shall apply to the underpayment of the estimated tax when the amount of estimated tax paid quarterly is eighty percent (80%) or less of the amount shown due the City on the annual return. Such penalties and interest for underpayment shall be calculated separately for each quarterly installment. Such penalties and interest for underpayment shall be in addition to penalties and interest imposed for failure to pay installments of estimated tax when due. (Ord. 7464-02. Passed 5-6-02)

CHAPTER 171

Interest and Penalties

171.01 Interest on unpaid tax.

171.02 Penalties on unpaid tax.

171.03 Exceptions.

171.04 Abatement of interest and penalty.

171.05 Violations.

171.06 Limitation on prosecution.

171.07 Failure to procure forms not excused.

171.01 INTEREST ON UNPAID TAX.

Subject to subdivision (e) of Section 169.06 hereof, all taxes imposed and all monies withheld or required to be withheld by employers and all installments of estimated taxes required to be paid under the provisions of this Title and remaining unpaid after they become due, shall bear interest at the rate of one and one-half percent (1-1/2%) per month. (Ord. 7464-02. Passed 5-6-02)

171.02 PENALTIES ON UNPAID TAX.

Subject to subdivision (e) of Section 169.06 hereof, in addition to interest as provided in Section 171.01 hereof, penalties based on the unpaid tax of installments of estimated tax are hereby imposed as follows:

- (a) For failure to pay taxes or estimated taxes due, other than taxes withheld, or for failure to file a return even if no tax is due: eighteen percent (18%) per annum, but not less than twenty-five dollars (\$25.00).
- (b) For failure to remit taxes withheld from employees: fifteen percent (15%) per month or fraction thereof, but accumulated penalty shall not exceed one hundred percent (100%) upon any unpaid amount and shall not be less than twenty-five dollars (\$25.00).
- (c) All other penalties shall be levied at a rate of one and one-half percent (1-1/2%) per month.

(Ord. 7464-02. Passed 5-6-02)

171.03 EXCEPTIONS.

A penalty shall not be assessed on an additional tax assessment made by the Administrator when a return has been filed in good faith and the tax paid thereon within the time prescribed by the Administrator; and provided further, that, in the absence of fraud, neither penalty nor interest shall be assessed on any additional tax assessment resulting from a Federal audit, providing an amended return is filed and the additional tax is paid within three months (3 mos.) after a final determination of the Federal tax liability. (Ord. 3172-67. Passed 6-26-67)

171.04 ABATEMENT OF INTEREST AND PENALTY.

Either the Administrator hereunder or the Board of Review may abate penalty or interest, or both, for good cause shown. (Ord. 3758-71. Passed 12-6-71)

171.05 VIOLATIONS.

Any person who shall:

- (a) Fail, neglect or refuse to make any return or declaration required by this Title; or
- (b) Make any incomplete, false or fraudulent return; or
- (c) Fail, neglect or refuse to pay the tax, penalties or interest imposed by this Title; or
- (d) Fail, neglect or refuse to withhold the tax from his employees or remit such withholding to the Administrator; or
- (e) Refuse to permit the Administrator or any duly authorized agent or employee to examine his books, records, papers and Federal income tax returns relating to the income or net profits of a taxpayer; or
- (f) Fail to appear before the Administrator and to produce his books, records, papers or Federal income tax returns relating to the income or net profits of a taxpayer upon order or subpoena of the Administrator; or
- (g) Refuse to disclose to the Administrator any information with respect to the income or net profits of a taxpayer; or
- (h) Fail to comply with the provisions of this Title or any order or subpoena of the Administrator authorized hereby; or
- (i) Give to the employer false information as to his true name, correct social security number and residence address or fail to promptly notify an employer of any change in residence address and date thereof; or
- (j) Fail to use ordinary diligence in maintaining proper records of employees' residence addresses, total wages paid and City tax withheld, or to knowingly give the Administrator false information; or
- (k) Attempt to do anything whatever to avoid the payment of the whole or any part of the tax, penalties or interest imposed by this Title;

Shall be guilty of a misdemeanor of the first degree and shall be fined not more than one thousand dollars (\$1,000.00) or imprisoned not more than six months (6 mos.) or both for each offense. (Ord. 5641-86. Passed 5-19-86)

171.06 LIMITATION ON PROSECUTION.

All prosecutions under this section must be commenced within five years (5 yrs.) from the time of the offense complained of except in the case of failure to file a return or in the case of filing a false or fraudulent return, in which event the limitation of time within which prosecution must be commenced shall be ten years (10 yrs.) from date the return was due or the date the false or fraudulent return was filed. (Ord. 3172-67. Passed 6-26-67)

171.07 FAILURE TO PROCURE FORMS NOT EXCUSED.

The failure of any employer or person to receive or procure a return, declaration or other required form shall not excuse him from making any information return, return or declaration, from filing such form or from paying the tax. (Ord. 3172-67. Passed 6-26-67)

CHAPTER 173
Collection of Unpaid Taxes and Refunds of Overpayments

173.01 Unpaid taxes recoverable as other debts.

173.02 Refunds of taxes erroneously paid.

173.03 Amounts of less than one dollar.

173.04 Writing-off uncollectible taxes, penalties and interest.

CROSS REFERENCES

Interest and penalties - see ADM. Ch. 171

Violations - see ADM. 171.05

173.01 UNPAID TAXES RECOVERABLE AS OTHER DEBTS.

All taxes imposed by this Title shall be collectible, together with any interest and penalties thereon, by suit, as other debts of like amount are recoverable. Except in the case of fraud, of omission of a substantial portion of income subject to this tax or of failure to file a return, an additional assessment shall not be made after three years (3 yrs.) from the time the return was due or filed, whichever is later, provided, however, in those cases in which a Commissioner of Internal Revenue and the taxpayer have executed a waiver of the Federal statute of limitation, the period within which an additional assessment may be made by the Administrator shall be one year (1 yr.) from the time of the final determination of the Federal tax liability. (Ord. 3172-67. Passed 6-26-67)

173.02 REFUNDS OF OVERPAYMENTS.

- (a) Claims for refund of City income taxes paid in excess of the amount or amounts due under this Title must be brought within three years (3 yrs.) from the date which such payment was made or the return was due, or within three months (3 mos.) after the final determination of the Federal tax liability, whichever is later.
- (b) Interest shall be allowed and paid on any overpayment by a taxpayer of any City income tax obligation from the date of the overpayment until the date of the refund of the overpayment, except that if any overpayment is refunded within ninety days after the final filing date of the annual return or ninety days after the complete return is filed, whichever is later, no interest shall be allowed on the refunded overpayment. For purposes of computing the payment of interest on overpayments, no amount of tax for any taxable year shall be treated as having been paid before the date on which the tax return for that year was due without regard to any extension of time for filing that return. The interest shall be paid at the rate of interest prescribed by Section 5703.47 of the Revised Code.

(Ord. 7464-02. Passed 5-6-02)

173.03 AMOUNTS OF LESS THAN ONE DOLLAR.

Amounts of less than two dollars (\$2.00) shall not be collected or refunded. (Ord. 6153-90. Passed 12-17-90)

173.04 WRITING-OFF UNCOLLECTIBLE TAXES, PENALTIES AND INTEREST.

- (a) In the event that, in spite of reasonable efforts by the Administrator to secure from a taxpayer payment of all or a portion of such taxpayer's delinquent taxes, penalties and interest, such delinquent taxes, penalties and interest, or any portion thereof, remain unpaid after a period of at least thirty-six (36) months commencing on, and including, the date on which such taxes first became delinquent, then, provided that the aggregate of such delinquent taxes, penalties and interest due from such taxpayer at the end of such thirty-six month period are less than one hundred dollars (\$100) and that such taxpayer has made no payment during the period following such thirty-six month period up to and including the date of the Administrator's written request to the Board of Review pursuant to this paragraph (a), the Administrator may, by written request to the Board of Review any time after the end of such thirty-six month period, ask the approval of the Board of Review that such delinquent taxes, penalties and interest be written-off the records of the City and that their collection no longer be pursued.
- (b) In the event of a request from the Administrator pursuant to paragraph (a) of this Section, such request from the Administrator shall describe in summary form, in addition to all pertinent information regarding the amount of such delinquent taxes, penalties and interest, the reasonable efforts taken by the Administrator to attempt to collect such delinquent taxes, penalties and interest. If, after all other conditions of this Section 173.04 have been satisfied, the Board of Review approves the Administrator's request regarding the write-off of such taxes, penalties and interest, the Administrator, by journal entry with evidence of the Board's approval affixed thereto, shall write-off such taxes, penalties and interest from the income tax records of the City, and thereupon such taxes, penalties and interest shall no longer be due and payable to the City.
- (c) In addition to the request to write-off delinquent taxes, penalties and interest authorized in the preceding paragraph (a), if the delinquent taxes, penalties and interest, or any portion thereof, due to the City from a taxpayer are, or are declared by a court of competent jurisdiction to be, uncollectible as a matter of law due to a statute of limitations or otherwise, the Administrator may, at any time after such delinquent taxes, penalties and interest are, or have been declared to be, uncollectible as a matter of law, in a written direction, cause such delinquent taxes, penalties and interest to be written-off the records of the City and their collection to no longer be pursued. The Administrator shall give notice to the Board of Review of any action taken pursuant to this paragraph (c) within ten (10) business days after taking such action. Such notice shall describe in summary form, in addition to the amount of such delinquent taxes, penalties and

interest being written-off, the reason such delinquent taxes, penalties and interest are uncollectible as a matter of law.

(Ord. 7464-02. Passed 5-6-02)

CHAPTER 175
Tax Credit; Disbursement of Receipts
of Tax and Duties of Tax Administrator

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| 175.01 Tax credit. | 175.10 Refusal to produce records. |
| 175.02 Disbursement of funds collected. | 175.11 Confidential nature of information obtained. |
| 175.03 Appointment, duties and authority of the Administrator. | 175.12 Taxpayer required to retain records. |
| 175.04 Duty to enforce collection. | 175.13 Authority to contract for central collection facilities. |
| 175.05 Authority to make and enforce regulations. | 175.14 Assignment of duties and authority of the Administrator. |
| 175.06 Authority to arrange installment payments. | 175.15 Board of Review established. |
| 175.07 Authority to determine amount of tax due. | 175.16 Duty to approve regulations and to hear appeals. |
| 175.08 Authority to make investigations. | 175.17 Right of appeal. |
| 175.09 Authority to compel production of records. | |

CROSS REFERENCES

Imposition of tax - see Ohio R.C. 121.22

Director of Finance; Tax Administrator - see ADM. 133.03

175.01 TAX CREDIT.

- (a) When a resident of the City is subject to a municipal income tax in another municipality on the same income taxable under this Title, such resident may claim a credit of the amount of income tax paid to the other municipality, but not in excess of one hundred percent (100%) of the first 1.50% of the income tax liability under this Title. When a resident of the City works in a joint economic development zone created under Section 715.691 or a joint economic development district created under Section 715.70, 715.71, or 715.72 of the Revised Code, such resident may claim a credit of the amount of income tax paid to the joint economic development zone or joint economic development district, as applicable, but not in excess of one hundred percent (100%) of the first 1.50% of the income tax liability under this Title. This credit shall be calculated separately for each income source. This provision shall be effective on all taxable income earned on and after January 1, 2001. (Ord. 7464-02. Passed 5-6-02)
- (b) A claim for credit or refund under this section shall be made in such manner as the Administrator may by Regulation provide. In the event such City resident fails, neglects or refuses to file an annual return or declaration on the form prescribed by the Administrator, he shall not be entitled to such credit or refund and shall be considered in violation of this Title for failure to file a return.

- (c) In the event a City resident is entitled to a reciprocity credit under the ordinance of another municipality or is entitled to credit for taxes paid another municipality or is entitled to credit for taxes paid to either municipality, such City resident is required to file a return or form in such manner as the Administrator designated by the City may prescribe.

Assignment of any claim for refund to which a City resident may be entitled from another municipality shall be tentatively accepted as payment of that portion of City income tax represented by such assignment. Provided, however, if satisfactory evidence is offered that the taxpayer is entitled to the claim covered by the assignment, such taxpayer shall not be deprived of credit therefor because of fault or neglect on the part of either municipality.

In the event such City resident fails, neglects or refuses to file such return or form as is prescribed by the Administrator, he shall not be entitled to such credit and shall be considered in violation of this Title for failure to file a return and make payment of taxes due hereunder. (Ord. 5643-86. Passed 4-7-86)

175.02 DISBURSEMENT OF FUNDS COLLECTED.

The funds collected under the provisions of this Title shall be disbursed in the following manner:

- (a) First, such part thereof as shall be necessary to defray all expenses of collecting the tax and of administering and enforcing the provisions of this Title shall be paid.
- (b) The balance remaining after payment of the expenses referred to in paragraph (a) above shall be deposited in the General Fund for such municipal purposes as the Council shall from time to time decide. (Ord. 3172-67. Passed 6-26-67)

175.03 APPOINTMENT, DUTIES AND AUTHORITY OF THE ADMINISTRATOR.

The Administrator of this City Tax Code shall be the Director of Finance. It shall be the duty of the Administrator to receive the tax imposed by this Title in the manner prescribed herein from the taxpayers, to keep an accurate record thereof and to report all monies so received. (Ord. 3172-67. Passed 6-26-67)

175.04 DUTY TO ENFORCE COLLECTION.

It shall be the duty of the Administrator to enforce payment of all taxes owing to the City, to keep accurate records for a minimum of five years (5 yrs.) showing the amount due from each taxpayer required to file a declaration and make any return, or both, including taxes withheld and to show the dates and amounts of payments thereof. (Ord. 3172-67. Passed 6-26-67)

175.05 AUTHORITY TO MAKE AND ENFORCE REGULATIONS.

Said Administrator is hereby charged with the enforcement of the provisions of this Title and is hereby empowered, subject to the approval of the Board of Review, to adopt and promulgate and to enforce rules and regulations relating to any matter or thing pertaining to the collection of taxes and the administration and enforcement of the provisions of this Title, including provisions for the re-examination and correction of returns. (Ord. 3172-67. Passed 6-26-67)

175.06 AUTHORITY TO ARRANGE INSTALLMENT PAYMENTS.

The Administrator is authorized to arrange for the payment of unpaid taxes, interest and penalties on a schedule of installment payment when the taxpayer has proved to the Administrator that, due to certain hardship conditions, he is unable to pay the full amount of the tax due. Such authorization shall not be granted until proper returns are filed by the taxpayer for all amounts owed by him under this Title.

Failure to make any deferred payment when due shall cause the total unpaid amount, including penalty and interest, to become payable on demand and the provisions of Section 173.01 and 171.05 of this Title shall apply. (Ord. 3172-67. Passed 6-26-67)

175.07 AUTHORITY TO DETERMINE AMOUNT OF TAX DUE.

In any case where a taxpayer has failed to file a return or has filed a return which does not show the proper amount of tax due, the Administrator may determine the amount of tax appearing to be due the City from the taxpayer and shall send to such taxpayer a written statement showing the amount of tax determined, together with interest and penalties thereon, if any. (Ord. 3172-67. Passed 6-26-67) .

175.08 AUTHORITY TO MAKE INVESTIGATIONS.

The Administrator or any authorized employee is hereby authorized to examine the books, papers, records and Federal income tax returns of any employer or of any taxpayer or person subject to, or whom the Administrator believes is subject to, the provisions of this Title for the purpose of verifying the accuracy of any return made, or, if no return was made, to ascertain the tax due under this Title. Every such employer, supposed employer, taxpayer or supposed taxpayer is hereby directed and required to furnish upon written request by the Administrator, or his duly authorized agent or employee, the means, facilities and opportunity for making such examinations and investigations as are hereby authorized. (Ord. 3172-67. Passed 6-26-67)

175.09 AUTHORITY TO COMPEL PRODUCTION OF RECORDS.

The Administrator is hereby authorized to order any person presumed to have knowledge of the facts to appear before him and may examine such person, under oath, concerning any income which was or should have been returned for taxation or any transaction tending to affect such income, and for this purpose may compel the production of books, papers, records and Federal income tax returns and the attendance of all persons before him, whether as parties or

witnesses, whenever he believes such persons have knowledge of such income or information pertinent to such inquiry. (Ord. 3172-67. Passed 6-26-67)

175.10 REFUSAL TO PRODUCE RECORDS.

The refusal to produce books, papers, records and Federal income tax returns or the refusal to submit to such examination by any employer or persons subject or presumed to be subject to the tax or by any officer, agent or employee of a person subject to the tax or required to withhold tax or the failure of any person to comply with the provisions of this Chapter or with an order or subpoena of the Administrator authorized hereby shall be deemed a violation of this Chapter, punishable as provided in Section 171.05 hereof. (Ord. 3172-,67. Passed 6-26-67)

175.11 CONFIDENTIAL NATURE OF INFORMATION OBTAINED.

Any information gained as the result of any returns, investigations, hearing or verifications required or authorized by this Title shall be confidential except for official purposes, or except in accordance with proper judicial order. Any person divulging such information in violation of this section shall, upon conviction thereof, be deemed guilty of a misdemeanor of the first degree and shall be subject to a fine or penalty of not more than one thousand dollars (\$1,000.00) or imprisoned for not more than six months (6 mos.), or both. Each disclosure shall constitute a separate offense.

In addition to the above penalty, any employee of the City who violates the provisions of this section relative to the disclosure of confidential information shall be guilty of an offense punishable by immediate dismissal. (Ord. 5641-86. Passed 5-19-86)

175.12 TAXPAYER REQUIRED TO RETAIN RECORDS.

Every taxpayer shall retain all records necessary to compute his tax liability for a period of five years (5 yrs.) from the date his return is filed or the withholding taxes are paid. (Ord. 3172-67. Passed 6-26-67) .

175.13 AUTHORITY TO CONTRACT FOR CENTRAL COLLECTION FACILITIES.

The City Manager may and he is authorized hereby, subject to the approval of Council, to enter into an agreement on behalf of the City with any other municipal corporation to permit such other municipal corporation to act as agent for the City for the purpose of administering the income tax laws of the City and of providing a central collection facility for the collection of the income tax on behalf of the City. (Ord. 3172-67. Passed 6-26-67)

175.14 ASSIGNMENT OF DUTIES AND AUTHORITY OF THE ADMINISTRATOR.

In the event the City Manager, on behalf of the City, enters into an agreement with any other municipal corporation to act as agent of the City for the purpose of administering the income tax laws of the City and of providing a central facility for the collection of the income

tax, as provided in Section 175.13 hereof, then all or part of the duties and authority of the Administrator may be assigned by such agreement to such other municipal corporation. (Ord. 3172-67. Passed 6-26-67)

175.15 BOARD OF REVIEW ESTABLISHED.

A Board of Review consisting of the City Manager, the Director of Law and the President of City Council is hereby created. The Board shall select each year for a one-year (1 yr.) term one of its members to serve as Chairman and one to serve as Secretary. A majority of the members of the Board shall constitute a quorum. The Board shall adopt its own procedural rules and shall keep a record of its transactions. Such records are not public records available for inspection under Section 149.43 of the Revised Code. Hearings requested by a taxpayer before the Board of Review created pursuant to this section are not meetings of a public body subject to Section 121.22 of the Revised Code or the Charter or ordinances of the City. (Ord. 7464-02. Passed 5-6-02)

175.16 DUTY TO APPROVE REGULATIONS AND TO HEAR APPEALS.

All rules and regulations and amendments or changes thereto, which are adopted by the Administrator under the authority conferred by this Title, must be approved by the Board of Review before the same become effective. The Board shall hear and pass on appeals from any ruling or decision of the Administrator and, at the request of the taxpayer or Administrator, is empowered to substitute alternate methods of allocation. (Ord. 3172-67. Passed 6-26-67)

175.17 RIGHT OF APPEAL.

- (a) Whenever the Administrator issues a decision regarding a City income tax obligation under this Title Nine that is subject to appeal as provided in this Section 175.17, the Administrator shall notify the taxpayer at the same time of the taxpayer's right to appeal the decision and of the manner in which the taxpayer may appeal the decision.
- (b) Any person who is aggrieved by a decision by the Administrator and who has filed with the City the required returns or other documents pertaining to the City income tax obligation at issue in the decision may appeal the decision to the Board of Review created by Section 175.15 hereof by filing a request with the Board. The request shall be in writing, shall state why the decision should be deemed incorrect or unlawful, and shall be filed within thirty days after the Administrator issues the decision complained of.
- (c) The Board shall schedule a hearing within forty-five days after receiving the request, unless the taxpayer waives a hearing. If the taxpayer does not waive the hearing, the taxpayer may appear before the Board and may be represented by an attorney at law, certified public accountant, or other representative.
- (d) The Board may affirm, reverse, or modify the Administrator's decision or any part of that decision. The Board shall issue a decision on the appeal within ninety days

after the Board's final hearing on the appeal, and send notice of its decision by ordinary mail to the petitioner within fifteen days after issuing the decision.

(Ord. 7464-02. Passed 5-6-02)